

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~TOP SECRET/SENSITIVE~~

National Security Council Meeting

April 29, 1983, 11:00 A.M., Cabinet Room

SUBJECT: Briefing on the Soviet Technology Acquisition Effort

PARTICIPANTS:

The President

The Vice President's Office:
Admiral Daniel Murphy

CIA
Mr. William J. Casey

State:
Acting Secretary Kenneth Dam
Hugh Montgomery

JCS
Admiral James D. Watkins

Treasury:
Secretary Donald T. Regan
Mr. Marc Leland

FBI:
Judge William Webster

Defense:
Secretary Caspar W. Weinberger
Deputy Secretary Paul Thayer

USTR:
Ambassador Bob Lighthizer

Justice:
Attorney General William French
Smith

White House:
Mr. Edwin Meese, III
Mr. James A. Baker, III
Judge William P. Clark
Mr. Robert C. McParlane
Mr. Richard Darman
Admiral John M. Poindexter

Commerce:
Secretary Malcolm Baldrige

NSC:
Dr. Gus Weiss
Dr. Arthur F. Manfredi, Jr.

Minutes

DCI Casey introduced the briefing, noting it would describe what the U.S. and the West are losing and how the Soviets are benefiting.

Mr. Casey noted that many KGB officers have recently been expelled in Europe, [REDACTED]

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Mr. Casey said that the decision had been Mitterand's. Mr. Casey noted that the Soviets did not retaliate, [REDACTED]

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[REDACTED] the key Soviet decision makers and acquirers of Western technology. [REDACTED] with examples of what the Soviets acquired in the 1979-1980, how they used it, and what benefits were realized. The Soviets made acquisitions in strategic missiles, air defense, aircraft carrier catapults, space reconnaissance, and tactical weapons. The Soviets learned new approaches, raised the technology level, and shortened their development time, as well as saved money for [REDACTED] of their weapons programs. [REDACTED]

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[REDACTED] that about 2/3 of the collection involves US technology, and about 90% is collected by the KGB and the GRU. [REDACTED] summarized by saying that the Soviet technology effort is larger and more harmful than most had imagined.

The President asked if Congress knew how serious the loss was.

~~REDACTED~~

~~REDACTED~~

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The President recalled that a Swiss high technology company was owned by Libya and asked how much of this type of operation existed. Mr. Casey responded that a huge amount did, noting especially the many trading companies in Vienna. Secretary Baldrige noted there were hundreds of companies owned by Eastern Bloc countries around the world. Judge Webster noted there were many front companies in the US for acquiring products.

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The President then expressed his desire to [REDACTED] on some of our R&D, akin to the [REDACTED]. The President thanked the briefers for a "sobering experience."

The meeting adjourned at 11:37 A.M.

Prepared by:
Gus W. Weiss, Jr.